

## **Fiscal 2010/3 First Quarter Results Briefing**

### **Main Questions and Answers**

**Q1:** Please explain the profitability situation of your digital camera operations.

**A1:** We are proceeding with business reform measures, including such cost reduction measures as those to lower the cost of manufactured goods by 20%. Amid a very harsh operating environment, we were able to avoid losses on an operational basis during the first quarter. For the fiscal year as a whole, we are aiming to keep the break-even profitability or shift to generating a profit based on such factors as the benefits of cost reductions with respect to products launched in August.

**Q2:** Regarding flat panel display materials business, how much did your performance recover during the first quarter as compared with the 4<sup>th</sup> quarter of the previous fiscal year? Please explain the situation regarding sales volume and prices.

**A2:** The manufacturing volume adjustments of LCD panel makers are just about completed, and sales volume has recovered to about 90% of the volume during the full-capacity manufacturing situation during the first half of the previous fiscal year. Prices are somewhat down, but almost stable and in line with plans.

**Q3:** Could you explain the situation with respect to Toyama Chemical's development of its drug candidate T-705?

**A3:** Phase II clinical trials of T-705 in Japan have been completed, and plans call for beginning Phase III trials from this autumn. The drug candidate is also undergoing Phase I trials in the United States.